

The U.S. Economic Impact of Tobacco Use



Tobacco use, particularly cigarette smoking, accounts for a substantial and preventable portion of all U.S. health care expenditures. The Centers for Disease Control and Prevention's Office on Smoking and Health has estimated that, each year, tobacco use causes more than 430,000 deaths and costs the United States approximately \$50 to \$73 billion in medical expenses alone.¹ Following are other facts on tobacco use's impact on the U.S. health care system and economy:

Each year, U.S. taxpayers pay at least \$20 billion to cover smoking-related medical costs

Facts on Tobacco Use's Impact

- ▶ The most recent national estimates available place U.S. smoking-attributable costs for medical care at \$50 billion in 1993; with inflation, current costs are probably higher. Of the \$50 billion in 1993, \$26.9 billion were for hospital expenditures, \$15.5 billion for physician expenditures, \$4.9 billion for nursing-home expenditures, \$1.8 billion for prescription drugs, and \$900 million for home-health care expenditures."²
- ▶ Public funding (primarily Medicare and Medicaid) pays, on average, over 40 percent—or more than \$20 billion—of smoking-related health care costs in the Nation each year.³
- ▶ Smokers with existing smoking-related diseases use services for nonsmoking-related diseases at a higher rate than nonsmokers; they also tend to need more medications and have more procedures performed. Compared with nonsmokers, smokers' health outcomes tend to be worse and their recovery periods longer for surgeries unrelated to smoking.⁴
- ▶ "In 1987, the estimated direct medical costs of a complicated birth for a smoker was 66% higher than that for nonsmokers and the medical-care expenditures attributable to smokers with complicated births was an estimated \$791 million in 1987 dollars, representing 11% of the total medical expenditures for all complicated births (\$7 billion)."²
- ▶ Smokers directly affect the health of nonsmokers. Mothers who smoke increase their infants' risk of low birthweight and various diseases. Smokers also increase the risk of disease in children and adults chronically exposed to environmental tobacco smoke.⁵
- ▶ "Other direct costs include irritation and nuisance from smoke and the cost of cleaning clothes and furnishings. There may also be a cost from fires, environmental degradation, and deforestation from tobacco growing and processing, and from the consequences of smoking."⁵
- ▶ "For policymakers, it is vital to know these annual healthcare costs and the fraction borne by the public sector, because they represent real resources that cannot be used for other goods and services."⁵

REFERENCES

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